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BOOK SYMPOSIUM

Redeeming Simmel's money

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Response to HAU Book Symposium on Dodd, Nigel. 2014. *The social life of money*. Princeton, NJ: Princeton University Press.

I am grateful to Gustav Peebles and the editors of *HAU* for organizing this symposium on *The social life of money*. The reviews are insightful and fair, which is as much as any author has the right to ask for. In this response, I simply want to reflect on why I wrote the book and what I was trying to achieve, while trying to answer some of the more critical comments made by my interlocutors.

Although I have been working on the sociology of money ever since my PhD, this particular book is in many ways a product of the global financial crisis, which I believe exposed deep connections between the financial world—which can so easily seem distant and divorced—and the everyday world of money. When people started to lose jobs, local government services ceased, and libraries closed as a result of austerity measures that were deemed to be necessary because of the credit crunch, this became a crisis of legitimacy as much as economics, provoked by the contrast between the resources that governments devoted to rescuing banks on the one hand, and their willingness to make socially corrosive cuts in public expenditures on the other. The 2008 crisis therefore focused our attention on money as something that is both *social* and *societal*. Just as we are seeing with current debates about quantitative easing and debt within the Eurozone, the question of “who pays” goes to the heart of issues about how society organizes its money. These, in turn, raise profound questions about power, freedom, justice, and law. Georg Simmel once described money as a “claim upon society.” By doing so, he captured the sense in which the monetary system must be underpinned by trust, not merely between particular individuals but also across society as a whole.



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But what kind of society did Simmel have in mind when he described money in this way? The idea that money is a claim upon society is often read as a reference to the connection between money and the state. If this were correct, Simmel's description of money would represent a call for a reassertion of the rights of states over the production and governance of money. If so, the author of *The philosophy of money* would have much to offer to reform groups such as Positive Money in the United Kingdom, who call for the imposition of measures such as the Chicago Plan—inspired by Irving Fisher (Fisher, 1935, 1936)—in which states take over the production of money (and away from banks) *tout court*. But what is “society” for Simmel? When Detlev Krige suggests that “Dodd unsatisfactorily settles for a soft notion of society” he perhaps misses the important point—picked up, in fact, by Bill Maurer and David Pedersen—that I was indeed taking my cue from Simmel, who works with the more fluid notion of *Vergesellschaftung*, which is usually translated as socialization or association. As Maurer and Pedersen point out, while we all think we know what “society” means, Simmel was more interested in “the process, the unfoldings and uncertainties and non-univocalities” of social life. For Simmel, in other words, society is a process, not a bounded entity, which exists within and through myriad interactions. This is the idea of society as “reciprocal influence” that Simmel refers to in *Soziologie*: “What goes on perpetually in physical and mental contact, in reciprocal excitation of desire and suffering, in conversations and silences, in common and antagonistic interests—that is really what determines the wonderful untearableness of society, the fluctuation of its life, with which its elements constantly achieve, lose, and shift their equilibrium” (Simmel 2009: 34). As Olli Pyyhtinen has pointed out, Simmel's conception “resonates well in an era that sees mobilities, flows, and networks as defining characteristics of contemporary societies” (Pyyhtinen 2010: 2).

One of the key sociological arguments of my book is that money is returning to a condition of pluralism, and this makes it essential to think about the “society” upon which it is a claim in a more flexible way. Krige suggests that this approach “leaves important questions about social structure unanswered.” I disagree. The book deals with the relationship between the way a society organizes the production of money and questions of social inequality and power in several chapters, including those on capital and debt, as well as in the discussion of Simmel and utopian money. There are discussions of the relationship between money and power in a number of chapters, including those on capital, debt, waste, and territory, which feature thinkers from Marx and Harvey, through Bataille and Baudrillard, to Deleuze and Guattari, Hardt and Negri, as well as prominent anthropologists such as Chris Gregory. There is also the question of what “social structure” actually means: an approach to “society,” and especially to its relationship with money, like Simmel's that enables us to deal imaginatively with mobilities, flows, and networks, is guilty not of neglecting structure but of trying to rethink it. It is interesting to see Krige recognizing exactly this when he suggests that scholars in South Africa “have neglected the role that money has played in the creation of new social networks, residential communities, and solidarity economies in urban areas, in part a result of their uncritical attitude toward money.” The connection between money, socialization, and utopianism turns out to be crucial in my book, and it is exciting to see these connections being made in Krige's excellent work on money practices in the popular economy (Krige 2011, 2015).

While my aim in writing *The social life of money* was to stand back and reconsider the nature of money, particularly its social nature in response to the financial crisis, I didn't want to write just another critique of the banking system. Moreover, I was responding to a different set of developments that had been going on for some time, although they have accelerated since 2008. In the advanced capitalist countries, we are approaching the end of the era of state monopoly currency. The system of state currency management that originated at Bretton Woods in 1944 and was abandoned in 1971 when Nixon took the US dollar off its formal gold peg was never properly replaced. States and central banks struggled ever since to assert control over global flows of money being created by transnational banks and corporations that were operating in an increasingly global economy. As Susan Strange and others have been arguing since that time (Strange 1986, 1998; Bryan and Rafferty 2006; Hart 2001) money was more difficult for states and international bodies such as the IMF to manage during this era. This, I believe, is the essential historical backdrop to the rash of books about money that have been appearing in the past two or three years, many of which deal with forms of money that are emerging *after the state*, such as Bitcoin (Vigna and Casey 2015; Clippinger and Bollier 2014; Popper 2015) and various other kinds of digital currency (Birch 2013; Lovink, Tkacz, and Vries 2015; Castronova 2014). There have also—significantly, I think—been a number of important books that have re-examined the early history of the connection between money and the state, such as Christine Desan's *Making money* (Desan 2014). Quite where the Euro fits into this script is still being played out, of course.

For a number of reasons, then, many people now sense that this is a moment of realignment in the monetary landscape. We are, indeed, witnessing something of a monetary revolution, marked principally by money's growing diversification through the emergence of monetary forms such as Time Dollars, local currencies, P2P lending schemes such as Zopa, transfer services such as M-Pesa, and of course Bitcoin. At the same time, it is important to understand that monetary pluralism isn't new. Prior to the modern era (before the late nineteenth century, and even later) it was common for people to encounter many different forms of money—and to have to navigate the relationship between them—in their everyday lives. Moreover in many countries outside of the global north, monetary multiplicity is simply a fact of life. If anything, then, what we are seeing is simply a return to the past. Even so, the changes we are witnessing now are potentially quite radical, not least because of the technology they involve: the “Cambrian explosion” in payments that Bill Maurer often refers to in his work is bound up with this, as is the rise of Fintech (i.e., financial technology, which refers to new payments technologies such as mobile payments, as well innovations in crowdfunding, peer-to-peer lending, and digital currency). Arguments about the end of cash belong here, too. What it adds up to is that what is meant by “society” in Simmel's formulation has to shift beyond the nation-state to become multilayered—local, national, regional, transnational, *virtual*—and defined not simply by space but by the medium of money itself (which, partly, is where payment technology comes in). This is something Keith Hart cottoned onto in his brilliant *Money in an unequal world*. His response to the simple dilemma it gives rise to—can we talk about “society” or not?—was to distinguish between three distinct senses within the sociological and anthropological literature

on money: as *state*, *nation*, and *community*. Each concept of society yields a distinctive conception of money's social structure.

My own position is that we might be able go a little further than this. Although Hart rightly accepts that Simmel's notion of society is never fixed, he nonetheless does fix it, albeit in three distinct ways. By exploring the social life of money, on the other hand, I am drawing attention to the sense in which money's value, indeed its very existence, rests on social relations between its users that are *fluid* and *dynam-ic*. The relatively brief historical period in which money was defined *exclusively* by the state is coming to an end. Alternative currencies are growing at an astonishing rate and we need a greater range of conceptual tools in order to understand them. One of my broader theoretical aims in writing *The social life of money* was to get to grips with what I believe is the intellectual corollary of the growing diversification of money. Just as we are witnessing a proliferation of monetary forms, it isn't enough simply to engage with the specialist academic literature on money. This would be too narrow an approach during an era of increasing monetary diversity. There are some great thinkers who have said fascinating things about money but are rarely cited in the field—thinkers such as Benjamin, Deleuze, Bataille, Derrida, Brown, Nietzsche, and Baudrillard. As much as I admire the work of a sociologist such as Geoff Ingham who has sought to set down a “general theory” of money (Ingham 2004), my project in this book was to leave the field more open. This is why Keith Hart describes the book as “the most catholic book on money I have yet encountered,” and why Krige described my approach as “heterodox and eclectic.” Specifically, the book treats money itself as a field of variation. Bill Maurer and David Pedersen capture the nuances of this approach when they say that money “is the infinite geography and history of relations that give rise to it, that maintain it, and that it could possibly have an effect on in the future,” as does Hannah Appel when she characterizes money as both “singularly powerful” and as “subject to experiment and rupture, both theoretically and practically.” There is, in other words, no fiat theory of money that we should be striving for in a world of monetary multiplicity. Nor, I suspect, has there ever been.

The book is organized through eight interconnected chapters: Origins, Capital, Debt, Guilt, Waste, Territory, Culture, and Utopia. Having a strong theme for each chapter provides a focus and acts as a sorting device. This is not, however, simply a literature review, and for two main reasons. First, many of the thinkers discussed need to be read very selectively and imaginatively in order to distil something like a theory (or even image) of money from their writings. This treatment does not leave their work untouched, indeed one could argue that quite unusual angles on the work of a number of thinkers—such as Walter Benjamin—emerge once we view their arguments through a monetary lens. Second, I have sought fresh readings of other thinkers, most notably Simmel, who has suffered perhaps more than most from what Keith Hart rightly describes as the tendency in sociology and cognate disciplines to demonize money and thereby to “typecast writers as being unequivocally for or against it.” All of the reviews published here identify Simmel as the book's foremost thinker, and this is correct. The Simmel that emerges from the book is not, however, the figure we may have become accustomed to reading, who views money as socially corrosive but a rich and multifaceted thinker whose reimagining of the notion of society gives rise to a quasi-utopian conception of money—or what Appel calls its “capacious potential.”

Since *The social life of money* was published in September 2014, I have been struck by the engaged and very practical responses it has received from readers who are fully involved in the kinds of projects I refer to in the book as utopian. Most striking of all, perhaps, has been the sheer range of these projects: from avid Bitcoiners of various political and theoretical persuasions, through professionals who are active in Fintech and the payments industry, to advocates of alternative and complementary monies such as time-based and local currencies. Partly in order to engage in conversation about the book but also in order to write the next one—which will focus wholly in utopian monies—I have spent a lot of time talking to those who are actively involved in reconfiguring money. Strikingly, they have radically different theories of money, which are not always consistent with the beliefs they hold about how money should be managed. For example, many advocates of Bitcoin who support their chosen currency because it takes money away from states and banks and—ergo—offers a solution to austerity, subscribe to a theory of money that is exactly consistent with the German (not Greek) view on the Eurozone and austerity. When I asked a Bitcoiner about the theory of money underlying his understanding of cryptocurrency, he compared Bitcoin to gold while admitting that it is possible for the cap on Bitcoin production to be raised, perhaps even doubled, overnight. When I queried this, he said it was the *belief* that the total number of Bitcoin would never exceed 21 million that acts like a socially necessary fiction that holds the network together. My interviewee behaves like a gold bug but thinks like a social constructionist. I am a theoretical pluralist not least because I want to understand the nuances in such thinking, not argue that it is contradictory.

Even when monetary theories and reform strategies have been carefully thought through, one finds a variety of different theories of money jostling for position. Instead of theory, what unites these actors is a common belief in the need to reform money, and that it is possible to do so. Many seem prepared to put their theoretical differences aside, such as they are, in order to join common cause in stimulating wider public debate about how money is organized. These are not just technical debates but are colored by normative or utopian questions about the relationship between money as a social technology on the one hand, and issues such as inequality, financial exclusion, social justice, and social cohesion on the other. This is captured by Hannah Appel's carefully nuanced description of her own exploration of Strike Debt, Rolling Jubilee, and the Debt Collective. What she manages skillfully to convey as the obduracy *and* contingency of money—"its inescapable thingness *and* its processual slipperiness"—is a very powerful reason for working with such a variety of monetary ideas, because as Appel rightly observes, money is *both* real *and* open-ended. Or to express the argument in another way, this is reason enough to think dialectically about money because one of the most remarkable things about it is that it is capable of arousing such contrasting political responses: fear and excitement, loathing and desire, disgust and awe, helplessness and potential. These are not contradictions in our understanding of money that need to be ironed out by good theory. They are different sides of money that coexist simultaneously, enabling us to enjoy a relationship with it that is as rich and rewarding as it is damaging and problematic.

A monetary and financial crisis, such as the one that triggered many of the questions addressed in my book, will always expose the social life of money, that is

to say, the complex and dynamic configuration of social, economic, and political relations on which money depends. Such a crisis does not simply show money up for “what it really is.” More importantly, it reveals money for what it is *not*: that is to say, it is not simply an objective entity whose value is entirely independent of social and political relations. Money is a process, not a thing, and we must pay close attention to the complex social relations that are involved in its creation, use, and destruction.

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